



# UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE  
United States Patent and Trademark Office  
Address: COMMISSIONER FOR PATENTS  
P.O. Box 1450  
Alexandria, Virginia 22313-1450  
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
-----------------	-------------	----------------------	---------------------	------------------

10/676,297

09/30/2003

Emerson P. Jones

17209-503

8191

54205 7590 11/10/2009  
CHADBOURNE & PARKE LLP  
30 ROCKEFELLER PLAZA  
NEW YORK, NY 10112

EXAMINER

ALI, HATEM M

ART UNIT

PAPER NUMBER

3696

MAIL DATE

DELIVERY MODE

11/10/2009

PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b> 10/676,297	<b>Applicant(s)</b> JONES ET AL.	
	<b>Examiner</b> HATEM ALI	<b>Art Unit</b> 3696	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 02 July 2009.
- 2a) ☒ This action is **FINAL**.                      2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-10 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-10 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892)                     | 4) <input type="checkbox"/> Interview Summary (PTO-413)           |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____                                      |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)          | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____  | 6) <input type="checkbox"/> Other: _____                          |

## DETAILED ACTION

1. The following is a **Final Office Action** on merits in response to a communication received on **7/2/2009**.

### ***Acknowledgement***

2. **Claim** status:

- **Claims** amended: **1, and 7**
- **Claims** pending: **1-10**

### ***Claim Rejections - 35 USC § 103***

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. **Claims 1-10** are rejected under 35 U.S.C. 103 (a) as being unpatentable over ***Ichihari et al*** (2003/0046203) in view of ***Vass*** (US 7,251,627).

**As per claim 1, *Ichihari*** discloses a method implemented by a programmed computer system (**para 0090-0092** and **Fig.13**; via computer system [**para 0033**]) comprises the steps of:

each changed debt/equity ratio value is an output of one or more simulations

Art Unit: 3696

(**para 0062-0063**; via an enterprise makes loss as a result of volatility of earnings by a business risk [implied reiteration of stock prices resulting repeated change of debt/equity ratio] and [para **0089+**; via implied and **inherent** simulation method in **Monte Carlo** simulation system);

calculating, with the computer system, values of earnings per share associated with the entity based at least in part upon the iteratively changed values of the debt/equity ratio associated with the entity (**para 0081**; via step **108** in **Fig.1**)

calculating, with the computer system, a plurality of values of earnings per share risk associated with the entity based at least in part upon the iteratively changed values of the debt/equity ratio associated with the entity (**para 0061**; via step **106** in **Fig.1**);

recording, with the computer system the calculated earnings per share values associated with the entity and the calculated earnings per share risk values associated with the entity (**para 0091** and **0095**; via all calculated data are recorded and stored in data files **180-190**); and

Outputting, with the computer system, the calculated earnings per share values associated with the entity and the recorded calculated earnings per share values associated with the entity and the recorded calculated earnings per share risks values associated with the entity\_(**para 0091** and **0095**; via all calculated data are recorded and stored in data files **180-190** [implied output after calculation of data]);

wherein the recorded calculated earning per share values associated with the entity and the recorded calculated earnings per share risk values associated with the entity characterize a capital structure of the entity in connection with a cost to the entity

Art Unit: 3696

of a selected debt/equity ratio relative to a risk associated with the selected debt/equity ratio (**para 0090-0092** and **Fig.13**; via computer system and enterprise as entity and **para 0062-0063**; via an enterprise makes loss as a result of volatility of earnings by a business risk related to inherent reiterative changes of stock prices resulting uncertain debt/equity ratio)

**Ichihari** fails explicitly to disclose iteratively changing, with the computer system, a value of a debt / equity ratio associated with the entity.

However, **Vass** being in the same field of invention discloses iteratively changing, the computer system, a value of a debt / equity ratio associated with the entity (**col.4**, lines 9-13 and 50-54; via inherent and implied **NYSE's** reiteratively changes of stock prices resulting debt/equity ratio change for all stocks. Accordingly scanning the stocks of the initial universe and attention is paid to the debt to equity ratio of each stock with program setting a threshold for the debt/equity ratio of 20% or less).

Therefore, it would have been obvious to one of ordinary skill in the art at the time of invention was made to modify the disclosure and features mentioned by **Ichihari** to include the features as taught by **Vass** to facilitate the proper selection of stocks into the universe.

**As per claim 2, Ichihari** discloses that the entity is a public corporation (**para 0033**; via to measure performance of an entire enterprise, public entity).

**As per claim 3, Ichihari** discloses, at least one of the calculated earnings per share values and the calculated earnings per share risk values is applied to a financial presentation relating to at least one of a balance sheet and an earnings per share

Art Unit: 3696

metric (**para 0091** and **0100**; via earning per share [as **MEVA**] calculation and storing and display inherently data may be shown in spreadsheet for presentation).

**As per claim 4, *Ichihari*** discloses that the iterations and calculations are carried out at least in part using a Monte Carlo simulation (**para 0089**; via performing the Monte Carlo Simulation).

**As per claim 5, *Ichihari*** discloses that the outputted calculated earnings per share values and the outputted calculated earnings per share risk values are plotted against one another (**para 0059, 0060** and **Fig.5**).

**As per claim 6, *Ichihari*** discloses that the plot of calculated earnings per share values versus calculated earnings per share risk values is credit adjusted (**para 0052-0054** and **Fig.3**).

**As per claims 7 and 9, *Ichihari*** discloses the steps further comprising:

Art Unit: 3696

\_obtaining, with the computer system, data associated with the entity including a number of common shares outstanding, a value of earnings, a value of dividends per share, a change in the effective number of common shares outstanding, which change in the effective number of common shares outstanding reflects the possibility, based upon an economically reasonable analysis in light of market conditions, of conversion of a convertible security; and a value of coupon payments;

wherein each value of earnings per share is calculated at least in part using the formula

$$EPS = \text{DPS}_o + (\text{Earnings} - N_o \times \text{DPS}_o - \text{Coupon}) / N_o + \Delta N_{\text{eff}}$$

wherein :

1) Earnings equals the input value of earnings, ii)  $N_o$  equals the input number of common shares outstanding, iii)  $\text{DPS}_o$  equals the input value of dividends per share, iv) Coupon equals the input value of coupon payments, and v)  $\Delta N_{\text{eff}}$  equals the input value of change in the effective number of common shares outstanding, based at least in part upon each of a plurality of iteratively changed values of stock price associated with the entity (**para 0033-0039**; via identical expression of **EPS** or earnings of an enterprise with shares or Market efficiency value added = Net operating profit after Tax- Cost of Capital)

**As per claims 8 and 10, *Ichihari*** discloses that the economically reasonable analysis in light of market conditions takes into account a conversion premium associated with the convertible security (**para 0095-96**; via analysis with historical and

Art Unit: 3696

simulation methods and market condition with **ROI** data).

### ***Response to Arguments***

5. **Applicant's arguments** filed **7/2/09** have been fully considered but they are not persuasive.

i) In response to **applicant's argument** (Remark page 6, last para , line 4 to page 7, para 1) that “ Applicant note with regard to independent claim 1, the examiner states “Ichihari discloses ... iteratively changing a value of debt/equity ratio associated with the entity ( **para 0062 – 0063**; via an enterprise makes loss ... applicant request clarification regarding the 103 rejection of claim 1 based on Ichihari in view of Vass” the Examiner respectfully clarifies that the sentence “iteratively changing, with the computer system, a value of a debt / equity ratio associated with the entity” was repeated by mistake and now it is corrected as shown in claim1.

ii) Further, Applicant's Remarks (page 9, last para) that “ In summary, Applicant submit that the applied references, taken alone or in combination, do not discuss or render obvious at least the claimed “iteratively changing, with the computer system, a value of a debt/equity ratio associated with an entity, wherein each changed debt/equity ratio value is an output of one or more simulations’ as recited in amended independent claim1” the examiner respectfully does not agree and refers back to Ichihari (**para 0062-0063**; via an enterprise makes loss as a result of volatility of earnings by a business risk [implied reiteration of stock prices resulting repeated change of debt/equity ratio] and [para **0089+**; via implied and **inherent** simulation method in **Monte Carlo** simulation



Art Unit: 3696

system) and Vass (**col.4**, lines 9-13 and 50-54; via inherent and implied **NYSE's** reiteratively changes of stock prices resulting debt/equity ratio change for all stocks. Accordingly scanning the stocks of the initial universe and attention is paid to the debt to equity ratio of each stock with program setting a threshold for the debt/equity ratio of 20% or less) for clarification with debt/equity ration value with **Monte Carlo** simulation method uses a **computer** model of a business plan for the business in question [enterprise] and see [para 0086+ ..]

**Finally**, as understood, all recitations as cited, teaches and suggest the concept of invention, but not the complete invention applied for.

### ***Conclusion***

6. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of

Art Unit: 3696

the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

7. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

***Slyke et al*** (US 2002/0042770 A1) discloses Liquid Insurance Contracts.

***Makivic*** (6,061,662) discloses the valuation of derivative financial instruments.

***Squyres*** 7, 222, 95) discloses Method and System for comparison and evaluation of investment Portfolio.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to HATEM ALI whose telephone number is (571)270-3021. and Fax (571)270-4031. The examiner can normally be reached on 8.00 to 6.30.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, **HANI KAZIMI** can be reached on 571-272-6745. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Art Unit: 3696

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Hani Kazimi

Hatem Ali  
Examiner  
Art Unit 3696

/Hani M. Kazimi/  
Primary Examiner, Art Unit 3691